RV BUSINESS

OCTOBER 6, 1989

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RVDA CONVENTION/EXPO: 'Success Is No Gamble' is the theme for this year's RVDA Convention and AfterMarket Expo in glittering Las Vegas, Nev. See page 54.

Industry Sees Upturn Ahead for RV Sales

Heading into the fourth quarter of 1989, there was a growing belief among many in the RV industry that a much-awaited improvement in slipping sales was imminent for the RV sector.

An array of positive national indicators, RV executives reasoned, meant that the "worst case" scenario projected by some analysts – namely, a deep recession – probably would not occur in 1989 or 1990. In fact, by the early fall, some executives and analysts already claimed to see an easing in the economic doldrums that had slowed RV sales since early spring. *(See "Fleetwood Executives Predict 1990 Sales Growth" on page 8.)*

"I think the prospects are for improvement from here on out," posited economist Morton J. Marcus, director of the Indiana Business Research Center at Indiana University, Bloomington, Ind. "The big question marks are inflation and the response of the Federal Reserve system to inflation."

"I'm fairly bullish on the rest of '89," said Tom Deane, owner of Sun-Lite Inc., a Bristol, Ind., towable maker that has been posting gains in a down market. "I don't see a recession in the next three quarters."

Still, the economic signals remain mixed, causing many industry observers to hedge their bets. Recent wholesale and retail figures, for example, did not yet indicate a positive direction for sales of more expensive recreational equipment, such as RVs and boats, which have generally paralleled each other ever since the precipitous spring drop-off in consumer demand.

RVIA's wholesale shipment figures were off 4.6% through June. And, at retail, according to the latest figures from Statistical

continued on page 8

Stag Trailer Buys Parkway

Harley-Davidson Inc. has announced that it has signed an agreement to sell Parkway Distributors, the aftermarket RV parts and accessories distribution division of its Holiday Rambler Corp. (HRC) subsidiary, to a smaller, privately held RV distributor, Stag Trailer Supply Inc. of Atlanta, Ga.

Terms of the agreement call for a cash settlement in an undisclosed amount.

In explaining the decision to sell the distribution division, H. Wayne Dahl, chief operating officer of HRC, Wakarusa, Ind., said, "For the last year, Holiday Rambler has focused its efforts on strengthening and building its core businesses: manufacturing recreational and specialized commercial vehicles. We believe that Parkway no longer fits with our strategic plan to build a stronger, more competitive Holiday Rambler."

Theodore G. Kaplan, president of Stag, added, "We are

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COVER PHOTO: COURTESY OF BALLY'S CASINO RESORT

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INDUSTRY'S SLUMP ENDS AS OUTLOOK IMPROVES FOR 1989, 1990

MORTON J. MARCUS

The industry slump of early 1989 should now be over. The first half of this year came in with nearly 198,000 units shipped, or 96% of the shipments total of the first six months of 1988. Although the remainder of 1989 is likely to show improvement, the entire year will lag behind 1988 by nearly 8%. This "deficiency" stems in large part from the bulge at the end of 1988. *(See Figure 1.)*

In this revised forecast, based on the econometric model of the United States produced at Indiana University, RV shipments improve steadily through the next six quarters to the end of 1990. This is in contrast with the stagnation, albeit at a higher shipments level, of the prior forecast *(see RVB, July 3, 1989)*. In the prior forecast, we expected to see 632,600 units shipped in the 18 months from July 1989 to December 1990. Now, we anticipate that 619,900 units will be shipped in that time frame, but with continuous improvements.

The reasons for our shift in the level and pattern of 1989-90 lies in the national forces discussed below.

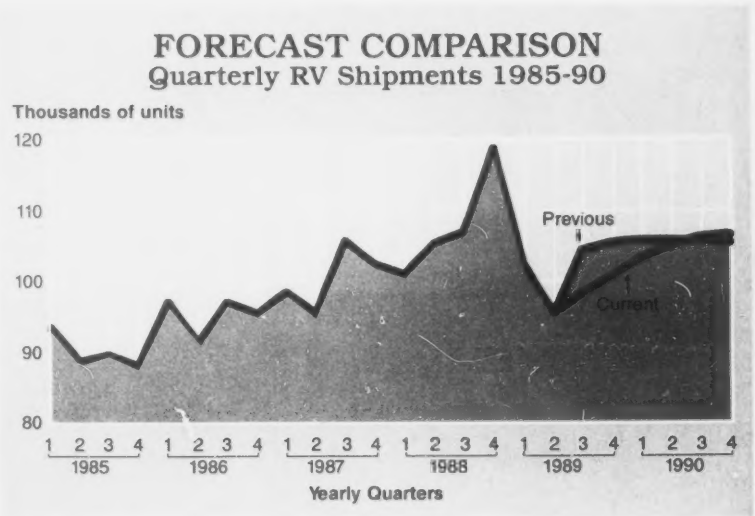

Figure 1

Most segments of the RV industry will end 1989 on a down note, but they can look forward to recovery in 1990. The best part is that the downward movement seems to be behind us.

The Detailed Outlook

Most segments of the RV industry will end 1989 on a down note, but they can look forward to recovery in 1990. The best part is that the downward movement seems to be behind us.

Only Class B motorhomes show a positive direction for 1989—up by 3.4%, which is only a 200-unit increase *(see Figure 2)*. These van campers continue then to advance by 500 units in 1990. This is the best performing area in the entire industry, even if the volume is small.

All other segments of the market are expected to be down. Folding camping trailers take the biggest hit, with nearly a 25% decline, or a fall of 10,500 units, from 1988 levels. In 1990, these trailers are forecast to recover with a 12% increase, or a gain of nearly 4,000 units over 1989. This still leaves the fold-down total at 6,700 units, or 16%, below its 1988 level.

Conventional travel trailers are expected to drop by 6,700 units this year, or a 7% decline, but then to gain back 2,500 units and end 1990 off by just 4.3% from 1988.

Class A motorhomes are the only double losers in our scenario. After dropping by 5,700 units this year, they are currently forecast to decrease by an additional 2,500 units next year.

However, we need to note that this last prediction is the result of our model, which cannot take into account the special marketing efforts of manufacturers and dealers to move Class A units. A model is based on relationships of the past as evidenced in the statistics. Particular efforts to move inventories and to keep production lines humming can invalidate any forecast.

In contrast to Class A units, Class C motorhomes are expected to regain all of the losses of 1989 during the following year.

And van conversions go beyond just regaining lost volume to reach new heights in 1990. After a decline of 6,700 units (3.2%) in 1989, van conversions are projected to advance by nearly 16,000 units (an 8% increase) in 1990. As a result of their strength, van conversions emerge from the turmoil of this year and the recovery of next year in a stronger market position. Whereas, in 1988, van conversions captured just less than 45% of the total RV market, by the end of 1990, they will have a 51.3% share of all RV shipments.

GRAPHICS: CUSTOM COLOR VISUALS

The National Scene

These swings in the RV market are caused by forces operating in the national economy, forces which seem to have already had their main effects in early 1989. Growth of the economy in 1988 came from business investments and exports *(See Figure 3.)* There seems to be little change in that pattern for this year or the next year. But each of those sectors weakens, and, with them, there is a weakening in consumer spending and a decline in residential investment.

Growth of the gross national product (GNP) is expected to become very sluggish, slowing from 4.4% in 1988 to 2.6% this year and then falling still further to only 1.2% in 1990.

The major force in this slowdown is a continuation of relatively high interest rates. Although we have seen a moderation in the policy of the Federal Reserve Board, the prime interest rate should average 10.7% for 1989 *(see Figure 4)*, after averaging 9.3% last year.

Although the average prime rate for 1990 will be lower (at 10%), this still exerts a restrictive pressure on consumer buying. Those who might take a significant sum of money and invest in a Class A motorhome will find rates on certificates of deposit still attractive, and they may, thereby, delay such purchases. Although interest rates are important to all types of recreational vehicles, they do not have a uniform influence. Big-ticket units tend to be more sensitive to high rates than their lower-priced cousins.

Another factor of importance to RV sales is real disposable income. With the rate of unemployment expected to rise from this year's low of 5.2% back toward 6% in 1990, income will be adversely affected. In addition, the continuing pressure of inflation will depress real income levels.

Yes, inflation is still with us despite recent news stories. Fortunately for the RV industry, the big upward surge in petroleum prices is behind us. Rising gas prices are a depressing factor for the industry, although decreasing prices have little influence. Of greatest importance for RV shipments is the relative price of motor fuel. Whereas it was rising very slowly compared to general price levels in 1988—0.8-to-4.1 as shown in Figure 4—1989 has been a different story, with a depressing effect on shipments.

Next year looks far better than 1989, although not as good as 1988. Consumers are holding back on big-ticket purchases. For example, auto sales are expected to be down this year and to drop still further next year *(see Figure 5)*.

Housing starts likewise will decline, as a relatively tight monetary policy drags down that important market. This policy is needed to offset the continuing growth of the federal budget deficit with its inflationary influence.

Adding to the impact of the deficit factor are the strong advance of unit labor costs in 1990 and the looming threat of still more advance inflation. Hence the Fed cannot allow the money supply to grow with any major speed, resulting in a decline in interest rates as long as these inflationary forces are at work.

Although the money supply is expected to grow twice as fast next year as this year, the full impact will not be felt until 1991. Monetary forces do not have instant effects.

To summarize: Interest rates remain high, real incomes do not grow rapidly, and there is some improvement in the relative price of motor fuel. The net effect is an improvement in RV shipments, but no boom year ahead. Δ

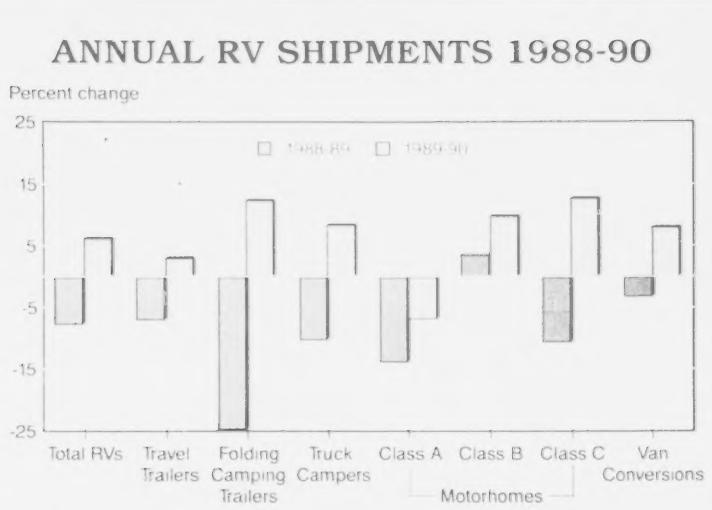

Figure 2

ANNUAL TRENDS

	1988 Revised	1989 Forecast	1990 Forecast
Unit Auto Sales (millions)	10.6	10.0	9.8
Unit Housing Starts (millions)	1.5	1.4	1.3
Federal Budget Deficit (billion $)	145.9	152.8	172.9
% Change in Compensation per Manhours	4.9	5.7	6.1
Productivity	1.8	-0.3	0.1
Unit Labor Costs	3.1	6.0	6.0

(Compensation – Productivity = Unit Labor Costs)

Figure 3

KEY FACTORS IN THE FORECAST

	1988 Revised	1989 Forecast	1990 Forecast
Prime Interest Rate (%)	9.3	10.7	10.0
Value of the Dollar (1973 = 100)	92.8	98.6	96.0
Unemployment Rate (%)	5.4	5.2	5.6
% Change at Annual Rates:			
Money Supply (M2)*	5.1	3.5	7.3
Real Disposable Personal Income	4.4	3.6	1.4
Consumer Price Index	4.1	5.2	5.7
Food & Beverages	4.1	6.3	7.3
Motor-Fuel Prices	0.8	13.4	7.0

*M2 consists of the nation's basic money supply of currency, plus demand deposits, plus savings accounts at commercial banks.

Figure 4

ANNUAL GROWTH RATES AFTER ADJUSTMENT FOR INFLATION

	1988 Revised	1989 Forecast	1990 Forecast
Gross National Product	4.4	2.6	1.2
Consumer Spending	3.4	2.1	1.4
Business Investment	8.4	3.4	2.6
Residential Investment	- 0.3	- 4.5	- 8.0
Exports	17.6	11.2	7.1
Imports	6.8	6.0	4.3
Govt. Purchases			
Federal	- 3.2	3.3	- 0.5
State & Local	3.2	2.4	1.5

Figure 5

This forecast was specifically produced for RV Business *by the Center for Econometric Model Research at Indiana University. The national forecast was prepared under the direction of Professor R. Jeffery Green, with the RV forecast developed by Vinay Kansal. The text was written and interpreted by Morton J. Marcus, director of the Indiana Business Research Center in the Indiana University School of Business.*

SALES PERK UP IN JULY

GAYLORD MAXWELL

RV retail sales perked up in July. According to RVB's Dealer Advisory Board (DAB), the number of new-unit sales for the month and the amount of dollars taken in exceeded those of July 1988. Fifteen of the 23 DAB members were up in dollar sales.

Two types of new RVs were up in unit sales, as well as in three used categories. Grosses on new units were also up. Profits were rated excellent in several categories by several DAB members. Used grosses were unusually good, too. Bottom lines were rated good, and there were four excellents. Inventories seemed generally to be in good shape. In fact, almost half of the DAB members rated their new inventories low. That augurs well for fall orders of new models.

Year-to-date, dollars taken in by the DAB were only slightly behind those of 1988. Ten DAB members reported they were ahead of last year. In units, the group was trailing by only 2% in new and 4% in used.

Fortune did not smile equally on the individual members of the DAB, however. The big guys were definitely getting the largest pieces of the same-size pie as last year. Six of the eight larger dealerships (over $1 million per month) were up in dollar volume for the month, and five were up year-to-date.

Motorhomes

For the first time since January, new-unit sales of motorhomes for the month of July exceeded those of the comparable month last year. Ten DAB members were up, five down, and three the same. The 24% increase possibly reflected some pent-up demand, and increased advertising and promotion efforts by large dealerships and manufacturers.

Used-unit sales still lagged behind those of last year. Perhaps a reason for the rather severe drop in July was due to special inducements that turned buyers from used to new. Profits were generally rated good; however, a few dealers rated them excellent, and two said they were poor.

Overall, motorhome dealers on the DAB were faring badly. But with sales very close to those of last year—a very good year—and an upswing possibly under way, they might even end up ahead of '88.

Travel Trailers

Nine trailer-dealer members took it on the chin in July; eight were up, and a couple stayed the same. Some large dealerships were up in new-unit sales, but some were down, as were the smaller dealerships. In used units, the picture was different—sales were slightly up.

In terms of profits, the picture was good. More than two-thirds of the DAB members who sell trailers reported grosses as being good to excellent.

Year-to-date, both new and used units were off last year's pace. There's no indication that this fact will change.

Truck Campers

Although the percentage drop from last year was high, the general camper picture wasn't all that bad. One of the two large camper dealerships tied with last year's July new-unit figure, while the other was off by two units. Both did well in terms of profits. Used sales were good.

It was surprising that sales of this RV type had not increased considerably. Many people have pickups. However, years of sale decreases and/or stagnation can't be ignored. For whatever reasons, people weren't flocking to buy these units.

Folding Camping Trailers

Dealers of this type of unit struggled in July. Although the numbers of those who were up and those who were down were about the same, the new-unit total was down. Three of the larger dealerships of this type were well off the normal pace. Used sales were good.

Surprisingly for this time of the year, profits were rated generally good.

Although the year-to-date figure was in the plus column, the figures were misleading in that more than 10% (90) of the total of new units (793) were sold by a dealer who normally doesn't even sell fold-downs. A one-time special discount purchase and subsequent sale distorted the picture.

	NEW UNITS						USED UNITS					
	FOR MONTH			YEAR-TO-DATE			FOR MONTH			YEAR-TO-DATE		
	JULY 1989	JULY 1988	% CHANGE	1989	1988	% CHANGE	JULY 1989	JULY 1988	% CHANGE	1989	1988	% CHANGE
MOTORHOMES	195	157	+24	1,103	1,115	− 1	149	177	−16	1,016	1,072	− 5
TRUCK CAMPERS	19	25	−24	161	189	−15	14	10	+40	100	112	−12
FIFTH-WHEELS	47	42	+12	297	265	+12	22	24	− 8	147	158	− 7

	FOR MONTH			YEAR-TO-DATE		
	JULY 1989	JULY 1988	% CHANGE	1989	1988	% CHANGE
TOTAL UNIT SALES	864	866	< −1	5,418	5,636	−4
USED-UNIT SALES	370	383	− 3	2,271	2,426	−2

The "DAB Perspective" is a compilation of data provided by *RV Business'* Dealer Advisory Board, a group comprised of 23 dealers representing a cross section of the U.S. dealer body.

Gaylord Maxwell, chairman; **Dave Altman,** Baldwin Park, Calif.; **Bob Azevedo,** Sunnyvale, Calif.; **Jack Cole,** Pacoima, Calif.; **Dick Dassen,** Victor, N.Y.; **Crosby Forrest,** Newport News, Va.; **Dan Gamel,** Fresno, Calif.; **Jerry Greer,** Columbus, Ohio; **Jerry Harrison,** Waco, Texas; **Bettie Helgeson,** Seattle, Wash.; **Johnny Ketelsen,** Marion, Iowa; **Newton Kindlund,** Orlando, Fla.; **Roger Kirschner,** Salem, Ore.; **Ozzie Lenhard,** Sayville, N.Y.; **Larry McClain,** Oklahoma City, Okla.; **Annette Autry-Miller,** Fayetteville, N.C.; **Jack Moran,** Warwick, R.I.; **Wayne Peay,** Albuquerque, N.M.; **Tom Schaeffer,** Shoemakersville, Pa.; **Joel Shipp,** Chattanooga, Tenn.; **Jack Sissemore,** Amarillo, Texas; **Bill Thomas,** Bridgeton, Mo.; **Randy Thompson,** Crystal Lake, Ill.; **Dave Washburn,** Lakewood, Colo.

This report is an attempt to reflect the current retail sales picture; it does not purport to indicate RV production or factory sales to dealers.

DAB PERSPECTIVE *continued*

Without those sales, the category would have been down about 11%.

Fifth-wheels

Fivers continued to be the industry leader. The monthly increase in percentages over last year was exactly the same as the year-to-date figure. Although totals weren't huge, most dealers produced rather consistently. The average DAB fifth-wheel dealer sold one to three units a month; the top dealer moved 40 for the seven-month period. Grosses were generally rated good. Used sales were off a few points, as they had been all year.

Profits were rated excellent in several categories by several DAB members.

Sales should continue to be good for a couple of months, as snowbirds prepare for their annual migration to the South. Δ

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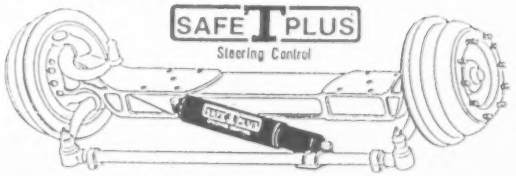

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FEATURE

REGIONAL MARKETS

Regions differ markedly in the popularity of various RV categories but less clearly in terms of product-design preferences

VICKIE ELMER

Considering the wide variety of climates, lifestyles and ethnic mixes in the 50 states, aren't there an equally large number of differing regional markets and products tastes? Yes and no, answer manufacturers.

With a few exceptions, there are few differences in actual product design across the country. The motorhome that sells in Toledo will sell in Texas. Travel trailers look alike whether the dealer's lot is in Oklahoma or Oregon or Orange, N.J.

"It (the market) is pretty much the same throughout the country" when it comes to product design, confirms Phil Cornelius, a marketing specialist with Foretravel Inc., which makes high-line Class A motorhomes in Nacogdoches, Texas. And Cornelius could be speaking for a number of other RV manufacturers interviewed, who all said they find few, if any geographic differences, in consumer preferences for product design and equipment.

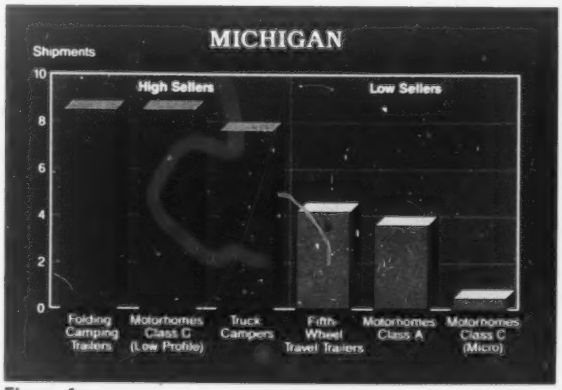


Figure 1

Figure 3

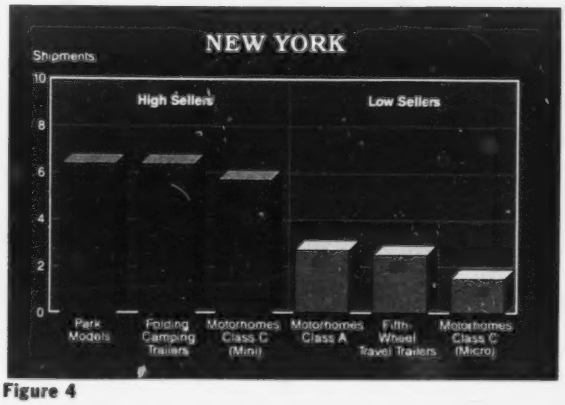
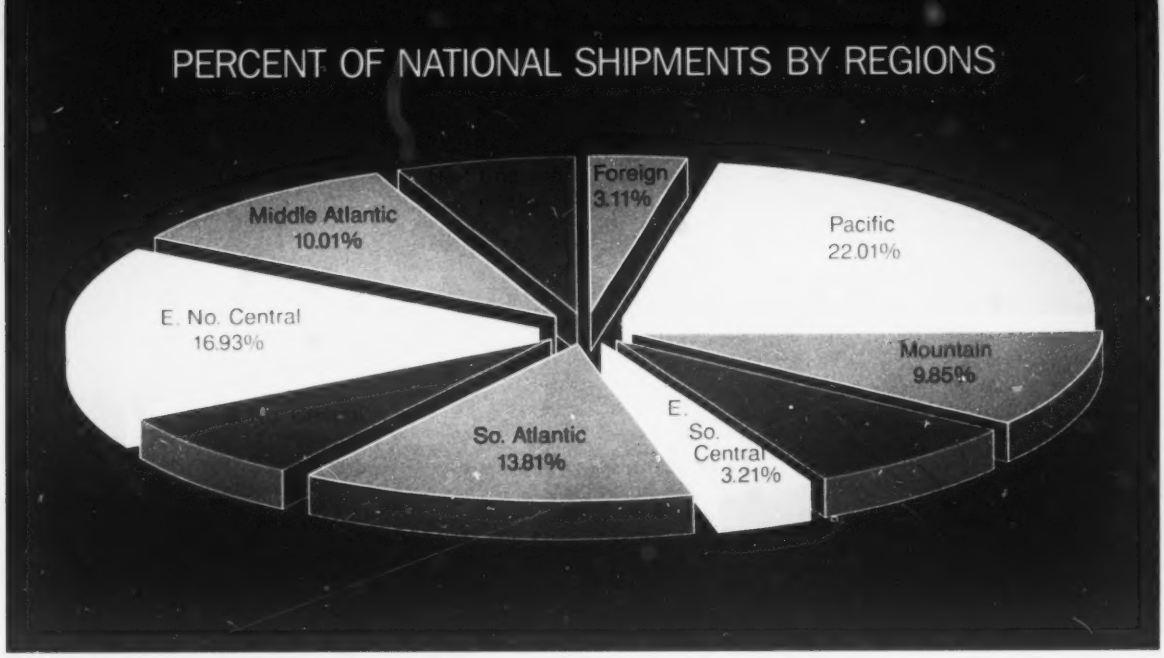


Figure 4

GRAPHICS: CUSTOM COLOR VISUALS



New England: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont. **Middle Atlantic**: New Jersey, New York, Pennsylvania. **E. No. Central**: Illinois, Indiana, Michigan, Ohio, Wisconsin. **W. No. Central**: Iowa, Kansas, Minnesota, Missouri, Nebraska, North Dakota, South Dakota. **South Atlantic**: Delaware, Florida, Georgia, Maryland, North Carolina, South Carolina, Virginia, West Virginia. **E. So. Central**: Alabama, Kentucky, Mississippi, Tennessee. **W. So. Central**: Arkansas, Louisiana, Oklahoma, Texas. **Mountain**: Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, Wyoming. **Pacific**: Alaska, California, Hawaii, Oregon, Washington.

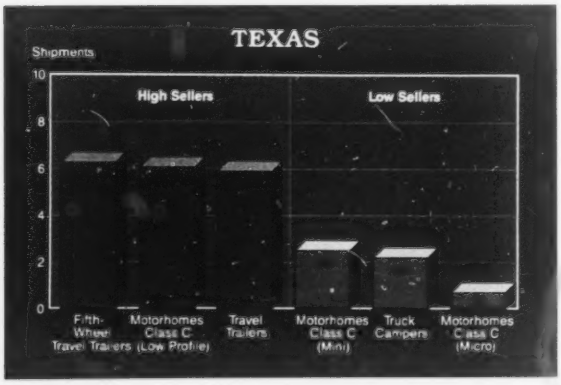


Figure 2

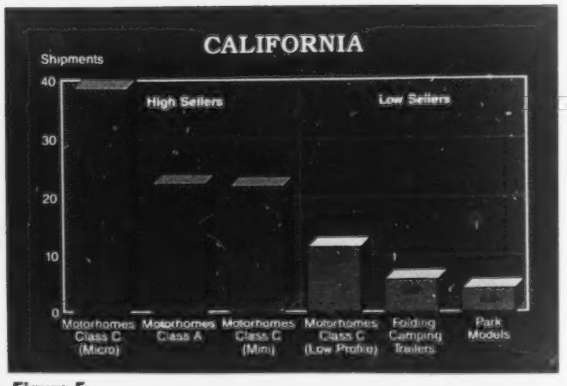


Figure 5

Regional Sales Trends

Regional differences do come into play in the numbers of motorized and towable units sold, however. For example, according to Recreation Vehicle Industry Association (RVIA) shipment figures, dealers in Michigan will do a lot better selling fold-down campers than micro-mini motorhomes. But if you're on the West Coast – in California, in particular – stock your lot with Class A motorhomes and micro-minis, and let somebody else try to sell park models.

For an overview of some of the differences, see Figures 1-5, which provide a look at the Top Five state-RV markets in 1988 in terms of their strongest and weakest markets for various RV types. Just to point up one example, Florida garnered 6% of all towable and motorhome shipments in the country last year, but the state's park-model shipments represented a whopping 20.4% of the total park-trailer market. Any manufacturer looking to sell park models certainly would want to target the Sunshine State.

Tom Walworth, general manager of Statistical Surveys Inc., Grand Rapids, Mich., which tracks RV retail sales by state and region, reports that regional sales tend to follow long-term, traditional patterns. That means that Californians have long favored motorhomes, and Northeasterners' preference for folding camping trailers has held true over the years. RVIA's state and regional statistics back up Walworth's assertion. The sales trends by region and RV type that are found in its 1988 shipment report pretty well mirror those in the 1983 shipment summaries.

Figures 1-5 show the Top Five state-RV markets' percentage of national shipments for selected RV types in 1988. All statistics are from the Recreation Vehicle Industry Association's *1988: The Year in Review*.

REGIONAL MARKETS *continued*

What has changed—and changes frequently—are the regions where overall RV sales are "hot" or "cold." For example, in 1983, Texas accounted for 7.25% of total U.S. RV shipments. Last year, Texas' share had fallen to 4.9% of total shipments because of its well-publicized economic woes.

In the 1983-88 time period, Arizona, Illinois and Ohio, in addition to Texas, saw their percent of the U.S. market slip. Meanwhile, states such as New York, California, Massachusetts and Michigan gained market share in all towable and motorized categories, according to RVIA statistics. California, which has long been the top state for RV sales, saw its market share increase from 19.5% to 22.0% in those five years.

"When 15 or 20 dealers all agree on something, you had better listen."

Regional dominance may be shifting once again, however. Factors such as economic conditions, weather trends and RV shows all come into play, according to Statistical Surveys' Walworth. As a result, he notes that the Northeast, which saw impressive sales last year, has not been as strong this year, while he and several others predict that Texas is picking up.

More Similarities Than Differences

Yet, despite such regional sales differences, for the most part, there is little regional variation in the product offered in each RV category. In general, the park models sold in Florida are much the same as those on lots in Pennsylvania or Arizona, two other major but geographically distant park-trailer markets.

Even the small regional differences in product tastes that do exist may be fading rapidly under the impact of national entertainment and advertising media. For example, Jim Sheldon, director of marketing for Fleetwood Enterprises Inc., Riverside, Calif., says that he has noticed a definite homogenization of consumer tastes in the last 10 years due, in part, to the impact of television. TV shows depict the same settings and often the same products in ads—whether the TV is turned on in Atlanta or Albany, Sheldon points out.

Fleetwood, with its string of travel trailer and motorhome plants around the country and in Canada, would be well-situated to produce different products for different regional demands. But Sheldon emphasizes that the company has found it efficient to develop all its decors, exteriors and new products at its Riverside, Calif., headquarters and to design them to appeal to the country as a whole.

Even if an innovation gains popularity in a specific region, it is likely to soon spread to dominate other geographic areas in any case, notes Sheldon. "I've seen too many regional floorplans that became popular nationally," Sheldon cites as an example.

Robert Curran, who follows the RV industry for Merrill Lynch, New York, N.Y., confirms that the major, publicly traded RV companies—Fleetwood, Skyline Corp., Winnebago Industries Inc. and Coachmen Industries Inc.—tend to go after nationwide markets to capture economies of scale in production and supplies.

If the big RV makers do vary their product by region, Curran and others agree, the changes are generally limited to cosmetic factors—such as different interior colors, decorator items and special amenities. For example, manufacturers acknowledge that the brighter, lighter colors usually do better in the Western states, while more muted tones are more popular in the rest of the country.

Regional Niches and Tastes

On the other hand, there is still a place in the industry for regional, specialized-product niches. For example, Sunline Coach

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Co., which ships its travel trailers, truck campers and fifth-wheels to the Eastern Seaboard from factories in Denver, Pa., has found just such a niche. Sunline offers a truck camper specifically designed for the Northeastern skiing crowd. The camper has a heating line that keeps the water- and holding-tank area from freezing and at the same time heats the unit's floor, explains Sunline President Larry Lawrence. However, Sunline's other products "would be accepted all over the country," adds Lawrence. "The same units come off the line and are shipped north or south."

Even a heavy hitter like Mallard Coach Co. Inc., Nappanee, Ind., which ranked fourth in motorhome production in 1988, takes regional market tastes into account in the design of its coaches.

Tom Powell, general manager of Mallard Coach Co.'s Riverside, Calif., plant, says his travel trailers and motorhomes do differ from the ones Mallard builds at its Indiana headquarters. "We put more options on them. The West Coast buyer seems to be a more upscale buyer," he reports. And since West Coast consumers want air conditioning, bigger generators, more stylish looks and brighter colors, the average unit costs more in the West because of all those extras, adds Powell.

Powell says he believes that his more upscale, West Coast-targeted RV units would sell on the East Coast, but that the Eastern and Midwestern products probably would not sell as well in the West because their decor is more conservative, and the units have fewer luxury items.

There are some regional product distinctions created by climate differences, too. Buyers in Arizona naturally prefer tinted glass in their coaches to keep out the sun, while those in Alaska and Northern states ask for storm windows to insulate units against inclement weather, manufacturers report. The same regional gap holds true for units sold with air conditioners vs. those units that are ordered with "winterizing packages."

Norm Jacobson, director of marketing for Lance Camper Manufacturing Corp., Pacoima, Calif., throws a new ingredient into the product mix: differences based on particular communities and their lifestyles rather than on states or broad regions.

"It doesn't have anything to do with West vs. East," he argues. For instance, some communities in Southern California have a high percentage of horse owners, Jacobson points out. The horse lovers want a truck camper that is shorter so they can tow a horse trailer behind it, yet they still want all the amenities inside, Jacobson says. Sales trends then reflect the lifestyle and demographics of that particular Southern California area.

In gauging regional RV-product trends, some manufacturers use the most popular types of automotive vehicles as a good indicator of the types of RV that will sell well in an area. For example, regions where pickup trucks are preferred – like the Midwestern or Mountain states – provide fertile territory for fifth-wheels or truck campers.

To keep abreast of which products are selling well and where they are selling, manufacturers also rely on regional buyer surveys and on feedback from regional shows. Trade magazines and tracking services, such as Statistical Surveys, are other sources that can give information on geographic trends.

However, Kit Manufacturing Co., Long Beach, Calif., takes a more grass-roots approach. It collects about three-fourths of its information from its dealers, who quickly identify new regional trends, according to Matt Pulizzi, a Kit vice president. "When 15 or 20 dealers all agree on something, you had better listen," he concludes.

The bottom line, dealers and manufacturers would agree, is that, although there are more similarities than differences in the RV business as you move across the nation, you still can't sell exactly the same product mix in exactly the same way in Tampa, Toledo and Taos. Δ

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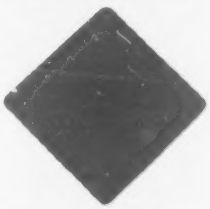

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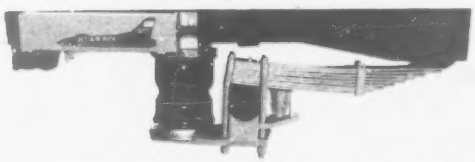

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